

ECONOMIC BASE STUDY

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Economic base study is an analysis of the prime factors which determine the future growth of population and the development of a community. These factors are employment, income, retail trade, wholesale trade, selected service, agriculture and other pertinent factors.

Employment

Employment opportunity in Firth is limited. Recent survey indicated that with the exception of farm workers, 53 people are employed in various businesses and industries in the community, and 58 people are employed in Lincoln, 2 in Beatrice and 1 in Hickman. The phenomenon of having many people employed out of the community proved that job opportunity is scarce, and this is also the main reason young people are migrating to bigger communities for better opportunities. The following table indicates the commercial and industrial establishments, and the number of employees in each establishment.

Table 3
COMMERCIAL AND INDUSTRIAL ESTABLISHMENTS

<u>Establishment</u>	<u>No. of Employees</u>
Laundromat	1
Attorney	2
Firth Hatchery	2
Cafe	6
Electric Shop	1
Bank	2
Firth Grocery	5
Lumber	2
Gas Station	3
Co-op Gas Station & Garage	6
Grain Elevator & Storage	8
T.V. Repair	2
Beauty Shop	3
Excavating Company	2
Ceramic Work	2
Produce	5
Transfer	<u>1</u>
TOTAL	53

Source: Firth Planning Commission, 1968.

Income

Income is another valuable index of the economic health of the community. The standard of living, efficiency of production, and general economic activity are reflected in the income of the community. Income, however, is not as convenient a measure of economic health as population, employment trend or selected industrial trend,

Table 4
FAMILY INCOME
FIRTH, GAGE COUNTY, LANCASTER COUNTY, NEBRASKA

	FIRTH* 1968		GAGE CO.** 1960	LANCASTER CO.** 1960	NEBRASKA** 1960
Income in Dollars	No. of Families	% of Families	% of Families	% of Families	% of Families
Under \$1000	1	0.8	7.0	2.7	5.5
\$1000 to \$1999	19	15.3	12.1	5.2	9.2
\$2000 to \$2999	10	8.0	14.5	7.4	11.4
\$3000 to \$3999	0	0.0	17.2	10.4	12.8
\$4000 to \$4999	10	8.0	13.4	12.6	13.0
\$5000 to \$5999	0	0.0	11.2	14.8	12.6
\$6000 to \$6999	20	16.0	7.8	12.9	9.7
\$7000 to \$7999	15	12.2	5.1	9.0	7.1
\$8000 to \$8999	25	20.2	3.6	7.2	5.2
\$9000 to \$9999	8	6.5	2.0	5.0	3.5
Over \$10,000	<u>16</u>	<u>13.0</u>	<u>6.1</u>	<u>12.8</u>	<u>10.0</u>
TOTAL	124	100.0	100.0	100.0	100.0
Median Income		\$6275	\$3953	\$5798	\$4862

Source: *Firth Planning Commission, 1968
**1960 United States Census

since reliable income data is scarce. Therefore, available data should be used only as an indication of trends and rough comparisons.

Family incomes of Firth, Gage County, Lancaster County and the State of Nebraska are shown on Table 4. It indicates that approximately 43 per cent of Firth's family income is over \$7000 per year, and 13 per cent of family income is \$10,000 or more. The medium income is \$6275, which is higher than the medium income of Gage County, Lancaster County and the State of Nebraska. The fact that Firth's family income which was taken in 1968 tends to exaggerate somewhat when it compares with the 1960 census figures for Gage County, Lancaster County and the State of Nebraska. But the average annual family income of \$6275 is still a rather high figure for a small rural community like Firth.

Trade Area

Trade area is the supporting area of local businesses, and the place where majority of the downtown patronage comes from. The Firth trade area was derived from the following methods:

1. Interviews with local businesses such as lumber yard, grocery store, bank, restaurant and the co-op garage.
2. The number and quality of roads connecting Firth with outlying areas.

3. The accessibility and attractiveness of competing trade centers.

The result is shown on Illustration 7 entitled Trade Area. It consists of a large portion of Lancaster County and Gage County, and some portions of Otoe and Johnson Counties. It encompasses an area of about 121 square miles. A survey indicates that about 1345 families or approximately 4035 persons are now living in the trade area.

Retail Sale, Wholesale, and Selected Service

Sales Management, "Survey of Buying Income" estimated some pertinent figures for Lancaster and Gage Counties which comprise the majority of Firth's trade area. It shows that the effective buying income in Lancaster County in 1967 was \$520,039,000 as compared to retail sales of \$247,827,000. This means that only about 47.5 per cent of the available money was spent in the County while 52.5 per cent was spent elsewhere or not at all. In the same year, 69.5 per cent of the available money in Gage County was spent in the County. Table 5 shows the trend of effective buying income and retail sales for Lancaster, Gage, Otoe and Johnson Counties.

TRADE AREA

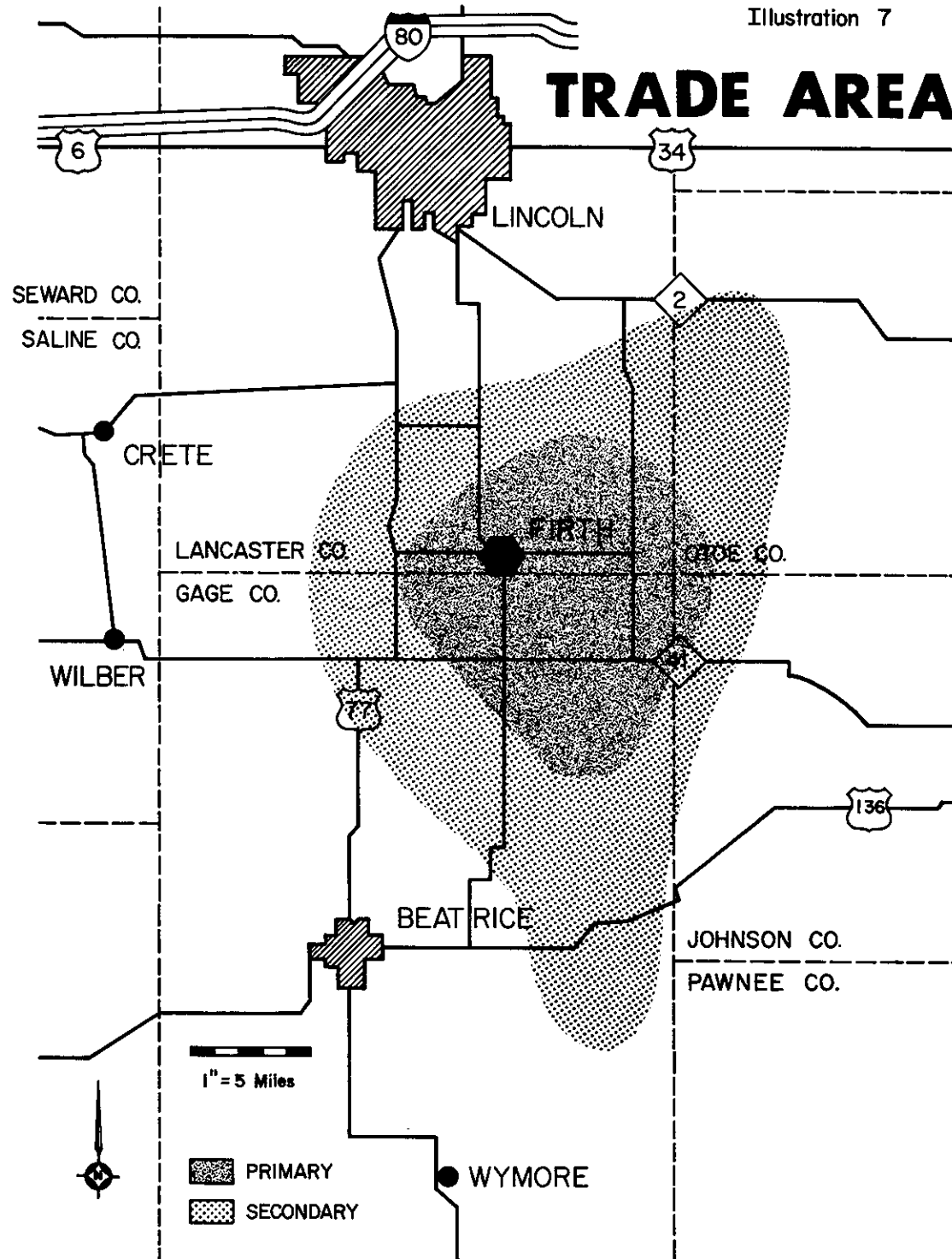


Table 5
RETAIL SALES AND EFFECTIVE BUYING INCOME

<u>Year</u>	<u>County</u>	<u>Effective Buying Income</u>	<u>Retail Sale</u>	<u>Retail Sales as Per Cent of Effective Buying Income</u>
1960	Lancaster	\$297,382,000	\$198,192,000	67.0
1960	Gage	42,779,000	30,958,000	72.5
1960	Otoe	30,158,000	23,793,000	75.1
1960	Johnson	9,807,000	6,722,000	68.5
1963	Lancaster	384,686,000	235,560,000	61.0
1963	Gage	46,324,000	31,826,000	69.0
1963	Otoe	29,230,000	26,144,000	89.5
1963	Johnson	7,781,000	6,541,000	84.0
1967	Lancaster	520,039,000	247,827,000	47.5
1967	Gage	63,787,000	44,183,000	69.5
1967	Otoe	41,642,000	29,798,000	71.5
1967	Johnson	11,318,000	9,470,000	83.5

Source: Sales Management, "Survey of Buying Power", 1960-1967.

Table 6
RETAIL, WHOLESALE AND SELECTED SERVICES

	<u>1954</u>	<u>1958</u>	<u>1963</u>	<u>Per Cent Change 1954 - 1963</u>
<u>Retail</u>				
Establishment	1,158	1,148	1,139	-1.6
Sales (000)	\$152,393	\$183,207	\$229,053	50.0
<u>Wholesale</u>				
Establishment	195	222	232	19.0
Sales (000)	\$108,863	\$142,129	\$208,940	100.0
<u>Selected Services</u>				
Establishment	710	791	928	31.0
Receipts (000)	\$ 18,973	\$ 26,376	\$ 38,480	106.0

Source: U.S. Census of Business, Retail Trade, Wholesale Trade and Selected Service, 1954-1963

The table shows that the general trend was increasing in the effective buying income and retail sale for the past seven years. The retail sale as per cent of effective buying income, however, was decreasing in Lancaster County, but increasing in Gage, Otoe and Johnson Counties.

As shown in Table 6, the U.S. Census of Business reported 1139 retail establishments in Lancaster County in 1963 with a volume of \$229,053,000 in retail sales, or an average of \$201,100 per establishment. Between 1954 and 1963, the retail establishments had decreased from 1158 to 1139, or a decrease of 1.6 per cent, yet the sales volume increased 50.0 per cent in the same nine-year period.

In 1963, Lancaster County reported 232 wholesale establishments, and \$208,940,000 sales, which was about double since 1954.

The U.S. Census of Business also reported that there were 928 selected services with \$38,480,000 sales volume in 1963 which was an increase of 106.0 per cent since 1954.

Table 7
FARMS, FARM VALUE AND FARM ACREAGE
LANCASTER COUNTY
1964 and 1959

<u>Subject</u>	<u>1964</u>	<u>1959</u>
Approximate Acres of Land Area	54,800 A	54,800 A
Proportion in Farms	87.8	90.4
Total Farms	1,774	2,067
Acres in Farms	267.5	236.4
Average per Farm	58,558	45,127
Average per Acre	222.14	181.54
Farms by Size		
Less than 10 Acres	64*	79*
10 to 49 Acres	155	183
50 to 69 Acres	41	30
70 to 99 Acres	163	184
100 to 139 Acres	101	108
140 to 179 Acres	244	350
180 to 219 Acres	83	119
220 to 259 Acres	180	235
260 to 499 Acres	545	651
500 to 999 Acres	176	115
1000 to 1999 Acres	20	11
2000 Acres or more	2	2

Source: U.S. Census of Agriculture, 1959 and 1964.

*Number of farms

Agriculture

Firth is located in an area defined as the Corn Belt - Winter Wheat Transition Sub-region. Corn, wheat and livestock are the major income producers with fruit and nuts, poultry and dairy supplementing the major crops. Lancaster County, like the rest of the Midwest, has experienced a decrease in the number of farms, increase in the size of farming units, and decrease in farm families. This trend is the result of agricultural mechanization and decreasing farm income. As small farmers find the maintenance of a minimum living subsistence more difficult, they migrate to cities and communities seeking job opportunities.

The farm statistics of Table 7 for Lancaster County show that from 1959 to 1964, total number of farms decreased from 2067 to 1774; farm size increased from 236.4 acres to 267.5 acres; average value per farm increased from \$45,127 to \$58,558; and average value per acre increased from \$181.54 to \$222.14. The statistics reveal that with the exception of farms with sizes ranging from 50 to 69 acres, 500 to 999 acres, and 1000 to 1999 acres, all the other small farms are decreasing in number.

The future economic functions of Firth will continue to be a service center for the surrounding farmers and a bedroom community for Lincoln and Beatrice. Firth will be capable of expanding its services in farm equipment, farm products and banking services.

At the completion of the Firth Lake Recreation area, Firth can be a recreation center as well.

The crucial factor that will help Firth's growth is to attract small industries into the community. These may be the manufacturing of farm oriented machinery, expansion of home grown industries and building construction. The Nebraska Department of Economic Development can help the local communities to select industrial sites, industrial expansions and market analysis. It is recommended that the Village Board and the Planning Commission contact the Division of Industrial Development of the Department of Economic Development for factual information.

Modern Industrial District

As mentioned earlier, a good balance of industry is the key to economic and physical growth of the community. Modern industrial districts should be located in areas where they will not adversely affect adjacent land uses through the exclusive industrial zone or industrial park concept. Industrial park type of development allows industries to locate in areas with similar uses thereby limiting adverse effects created by the industry from other non-compatible or more obnoxious uses. Industrial parks may also provide advantages not found on small sites such as controlled traffic access, proper location of railroad spurs, utilities at more economic rates, and adequate off-street parking and loading facilities.

For modern industrial districts, the following standards should be used as a guide:

Physical Features:

1. Acres should not be subject to flooding.
2. The slope of the land should not exceed 5 per cent.
3. Soils should be sufficiently stable to support foundations for buildings.
4. Sites should be located considering the prevailing winds.
5. An adequate supply of industrial water should be available.

Access:

1. Sites should be reasonably convenient to residential areas.
2. Sites should have access to major thoroughfares without penetration of residential areas.

Land Use:

1. Sites should not be pre-empted by other land uses.
2. Sites should not be located within or adjacent to existing or potential slum areas.
3. Site development standards should be established and enforced.

Community Facilities:

1. Electric power, gas, and other industrial power resources should be available.
2. Adequate water and sewerage should be available, including industrial waste disposal.

Transportation Services:

1. Sites should be no more than one-half mile from railroad main lines and/or one mile from a major thoroughfare or highway.
2. Air related industries should be located adjacent to air terminal facilities.